Automotive News

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Mitsubishi dealers shed gimmicks to court luxury buyers

By Kristine Stiven Breese
and David Versical
AUTOMOTIVE NEWS STAFF

DALLAS — If Mitsubishi's U.S. past was oddly shaped cars called Tredia, Cordia and Starion, its future is reflected in the sleek, well-appointed Diamante.

And if its past was dealers who pushed price and promotions, its future is salespersons who see consumers as potential "customers for life" and treat them like guests at five-star hotels.

Those visions stood out like beacons during Mitsubishi Motor Sales of America Inc.'s recent dealer meeting here. And the transition from the young company's past to its hoped-for future will be marked May 10, when the Diamante goes on sale.

But the Diamante, which will range from $20,495 to $30,395, poses a dilemma. Mitsubishi dealers's sales practices fall well below the U.S. average, according to J.D. Power and Associates' sales satisfaction survey.

While the Diamante will be sold in existing Mitsubishi stores, it will compete against such please-the-customer heavyweights as Lexus and Infiniti, which are sold in brand-new showrooms designed to meet the buyer's every whim. And the disparity has left dealers wondering how they'll sell the Precis subcompact at one moment and then pitch the Diamante to a doctor the next.

The conflict is one result of a young sales body that has been supplied with an abundance of new product from Japan. In little more than three years, the U.S. operation has expanded from a company that specialized in small cars and pickups to include the likes of the current Galant sedan, the Eclipse sporty coupe and the hot 3000GT sports car.

The trend will continue later this year with a small van-wagon hybrid called Expo and a replacement for the Montero sport-

see MITSUBISHI, page 44

BOB McKEOWN

The Congressional trip to Detroit began last week at the UAW Solidarity House, where UAW legislative director Dick Warner, right, and associate general counsel Alan V. Reuther, left, greeted Rep. John Dingell, D-Mich.

About-face! NADA chief wants consumer lures, interest rate subsidies

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Fearing a tide of dealership failures, the National Automobile Dealers Association is calling on manufacturers to jump-start car sales with customer rebates and manufacturer-subsidized interest rates.

The call reverses NADA's long-standing opposition to incentives paid to customers.

"We need to get this market moving right now, even if it takes short-term measures we don't like and have traditionally opposed, like consumer rebates and subvention programs," said Frank Anderson Jr., president of the association and owner of Sir Walter Chevrolet in Raleigh, N.C.

The association's surprising turnabout on customer rebates and the subvention programs, where manufacturers subsidize retail interest rates, underscores just how badly car dealers are faring in the recession. Fewer than 15 percent of its 20,000 member-dealers were profitable in January, according to NADA.

"We're bouncing off the bottom. Dealers are in pain, and if we don't get our engines cranking in a hurry, many of us are going to be out of business."

see ANDERSON, page 4

Anderson: "Dealers are in pain, and if we don't get our engines cranking in a hurry, many of us are going to be out of business."

Big 3 talks, Congress hears

Detroit visit turns up some who back trade limits

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Big 3's appeal to a visiting congressional delegation last week aroused support for re-examining trade relations with Japan and perhaps even using using the retaliatory powers of trade policy to help the U.S. auto industry.

Japanese manufacturers doing business in the United States could feel the bite on both their export business and their transplants. Members of the 40-member delegation that toured Big 3 facilities said they were convinced the Japanese could not only be dumping cars in the United States but not paying enough taxes on the profits from their U.S. transplants.

Aid from Capitol Hill for U.S. automakers would not require sweeping new legislation but action by the administration.

Congress does not have to engage in a long and controversial debate to assist the industry, said Rep. John Dingell, D-Mich. Under current laws, actions to address industry complaints about unfair trade practices and countries that keep U.S. cars out or make it hard for them to be sold can be taken by the president and various agencies and departments, including the International Trade Commission, and the departments of State and Treasury, Dingell said.

Indeed, the general mood of the 40-member delegation could be described as a depressed realization of the dire situation of the Big 3 and the intense pressure the industry feels from everything from overseas competition to rising health-care costs.

While visits to Ford Motor Co. and General Motors focused on safety, emissions, manufacturing and new technology, the delegation was most startled by the competitive difficulties and the health care issue.

Ford and GM carefully avoided stumping

see CONGRESS, page 46

NAFA numbers whiz

Gordon West, the new president of the National Association of Fleet Administrators, brings an extensive financial and accounting background to the position. The association and the fleet business are featured in *Automotive News Insight*, which follows Page 24.

Honda includes U.S. suppliers in '94 Accord design

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

HAMILTON, Ontario — Bowing to American trade pressures, Honda Motor Co. Ltd. has asked 43 North American suppliers to participate in the design of its next-generation Accord.

The suppliers will "participate with Japanese suppliers in the simultaneous design of the 1994 Accord," said David Nelson, vice president of purchasing for Honda of America Manufacturing Inc. in Marysville, Ohio, the assembly plant for most U.S.-sold Accords.

Crankshaft venture eyes Big 3, Page 46

Nelson made the announcement to a group of suppliers meeting in Hamilton last week.

Nelson acknowledged that the decision to include American suppliers in the early car development came shortly after an April 11 U.S.-Japanese industry conference in Chicago. At that meeting, Michael Far-

see HONDA, page 42

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Firehawk joins Pontiac's stable:
SLP Engineering is building 250 special Formula Firehawk Firebirds equipped with 350-horsepower V-8s. Story on Page 3.

Britain hits 'limit' on Japan cars

Informal agreement for 10% of market illegal, commission rules

By Ed Wendt
SPECIAL CORRESPONDENT

LONDON — Britain's Monopolies and Mergers Commission, the equivalent of the U.S. Justice Department's antitrust division, provisionally ruled last week that British and Japanese automakers have illegally fixed the supply and price of "at least" 25 percent of the cars sold in the United Kingdom each year since 1975.

The ruling, in an April 19 letter to executives and members of the two countries' biggest industry trade groups — Britain's Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association — said an informal "gentlemen's agreement" that fixed Japan's share of the U.K. market at 10 percent has acted to "prevent, restrict or distort competition" in the new-car market.

"The Commission have now provisionally concluded that . . . a complex monopoly situation exists . . ." in violation of the Fair Trade Act, the letter says.

Japanese exports to Britain declined 11 percent last year, to 234,499 units, and are "likely to decline again this year," a JAMA spokesman said in Tokyo. The decline reflects the continuing weakness of the U.K. market in general, he said.

Under Commission rules, a final ruling will be issued after a period of comment and forwarded to the Secretary of State. His decision, which can uphold or reject the Commission's recommendation, is expected in September.

Unlike many other nations, Britain has not forged a government-to-government agreement with Japan on the issue of car imports, choosing instead to leave it to unofficial channels.

The "voluntary" accord that limits Japanese passenger-car exports to the United States, for example, was negotiated on an official, government-to-government basis. Other nations, such as France, which limits Japanese penetration to 3 percent of the market, acted unilaterally, but officially, in imposing quotas.

British carmakers began talking with JAMA in 1975 following concern about the increasing import threat from Japan. The two trade groups, with the tacit blessing of their respective governments, then agreed to set a 10 percent ceiling on Japanese imports.

Although the Commission did not release any investigative findings with its letter, the pass-through effect of the fixed supply of cars has been higher prices. The European Commission, the executive arm of the European Community, and consumer groups have several times cited the higher prices of cars sold in Britain relative to comparably-equipped cars on the Continent.

Derek Barron, Chairman of Ford of Britain, an SMMT member, said the company will submit a written response to the ruling.

"This is a normal step in the commission's procedures," he said. "It raises certain public interest issues. It does not imply any wrongdoing or act against the public interest."

Other manufacturers declined comment pending a final ruling by the Secretary of State.

According to the Economist Intelligence Unit, the London-based research organization, the net effect of an affirmative ruling will be a rise in Japan's share of the U.K. market to about 15 percent by 1995. But it doesn't expect Japanese imports to "flood" the market.

"The Japanese are going to be prudent," said Ian Robertson, editor of the organization. "Even if the controls are removed tomorrow, they are not going to flood the U.K. market. They have been at it a long time and will be very careful about the rate they will build up their sales."

Ford, General Motors/Vauxhall, and Rover will be the biggest losers in an open market, Robertson said, and Toyota, Honda and Mitsubishi the biggest winners.

"What that means in terms of the current market is another 100,000 sales for Japanese imports," he said.

British makers' appeal for tax relief turned away

LONDON — Britain's Chancellor of the Exchequer last week rejected a call to provide tax relief to the nation's car industry, telling the heads of the four biggest U.K. automakers instead that they were no longer going to get "preferential treatment" from the government.

Far from rolling back taxes to stimulate industry sales, "We're going to establish a level playing field," a Treasury spokesman, speaking for Chancellor Norman Lamont, said.

"We want to help all manufacturers, not just carmakers," the spokesman said.

"There is no case for us to treat the car industry more favorably than any other section of the economy. Historically, they have been treated far more favorably," he said.

The four auto chiefs — Ford of Britain's Derek Barron, Paul Tosch of GM/Vauxhall, George Simpson of Rover Group and Geoffrey Whelan of Peugeot/Talbot — met with Lamont last Wednesday to urge him to roll back taxes they say will cost the industry 100,000 car sales and more than $1.5 billion this year.

In a 75-minute meeting at 11 Downing Street, the four told Lamont that a plan announced in his formal budget to require employers to pay social-insurance charges on the value of company cars they provide employees might well provide more than $1 billion in new revenue to the government — as projected — but would wreck the fleet-car market.

Fleet sales have been a traditional underpinning of the British industry because a high percentage of U.K. executives receive cars as part of their overall compensation.

The four told Lamont that the British Treasury already takes, on average, 21.5 percent of a new car's showroom price in taxes, a figure completely out of line with the rest of Europe.

The industry's sales, down 21.5 percent in the first quarter, could skid to as low as 1.6 million units this year from 2 million in 1990 and a record 2.3 million in 1989, Lamont was told.

Exports, which have been strong, could tumble to 400,000 units this year from 450,000 in 1990, they warned.

The Treasury spokesman said Lamont told the group the best hope for the industry was for "lower interest rates to bring about recovery. Reducing inflation will help everyone."

— Ed Wendt

Introduced in 1985, the Yugo GV remains the mainstay of the company's offerings. A few convertible versions have been imported.

Yugo America rehires co-founder Prior

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — It takes a true believer to see much future for Yugo America, but co-founder William E. Prior, a true believer if there ever was one, came back last week to run the company.

"I felt it was an opportunity I couldn't refuse," said Prior, 45.

He said the company's Yugoslavian bosses approached him in early April with a surprise offer to return as chief operating officer of Yugo, and he accepted.

John A. Spiech, 53, stepped aside last week after two years as Yugo president and chief executive. Spiech will return to consulting and says he will do some work for Yugo.

"This is perhaps as out-of-the-blue for me as it is for you," Prior said less than 24 hours after rejoining the company.

Under different management, the company ousted Prior 2½ years ago, went through Chapter 11 bankruptcy and hasn't recovered.

Prior said his first order of business is to formulate a "short-term emergency plan."

Yugo needs one. But if parent company Zavodi Crvena Zastava can afford it, it's not because of profits on the present sales volume in the United States.

In March, Yugo sold 146 cars, fewer than it did on an average day in 1987, Yugo's best year. Sales in 1987 were 48,812; last year's were 6,359.

Last month, the company laid off

Prior

Spiech

26 of its 89 employees, which was already considered "skeleton-crew" level.

If Yugo can survive its present crisis, Prior's task is basically the same as it was in 1988: to convince enough people that it's better to buy a new Yugo for $4,825 than a used car for the same price, or another new car for more money.

Yugo's biggest liability in doing that is the product itself — or more properly, according to the true Yugo believer, the product's reputation.

Hundreds of improvements have been made since the car was introduced in 1985. Steely eyed, unsentimental Yugo dealers with other franchises insist that the Yugo is "not a bad car — for the money."

"The car is now really good," Spiech insisted.

But the laughingstock reputation has outlasted many of the old Yugos.

Spiech was rumored to be leaving earlier this year. He said last week that Yugo was seeking a two- or three-year contract from its next

see YUGO, page 44

FTC seeks fleet subsidy info from NADA

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The Federal Trade Commission has been seeking information from the National Automobile Dealers Association on automakers' fleet subsidies and sales to daily rental fleets.

An NADA spokesman confirmed that the agency has made inquiries about program cars and fleet subsidies. But association officials declined to comment further except to characterize it as a "very preliminary investigation."

An FTC spokesman said only that the enforcement agency never confirms or denies ongoing investigations.

The FTC enforces more than 100 laws on pricing and trade regulations.

Matthew McKinnon, an instructor at the Detroit College of Law, suggested that the FTC could be looking into a potential violation of the Robinson-Patman Act, which forbids discriminatory pricing.

"It's a very complicated act that involves selling the same commmodity to customers at two different prices," McKinnon said when told about the FTC inquiry. "That could be what they are looking into."

For decades, manufacturers have offered discounts to big fleet purchasers — the "fleet subsidies" that NADA opposes.

Manufacturers sell vehicles to firms such as daily rental companies at prices lower than dealers can buy them.

The manufacturers argue that the prices are actually in parity because of retail and dealer incentives.

Still, dealers say manufacturers engage in two-tiered pricing and that franchised dealers should be able to purchase vehicles cheaper than anybody, including fleets.

It's an old feud. As far back as 1970, NADA asked manufacturers to halt fleet subsidies. Ford Motor Co. and General Motors agreed, starting with 1971 models, but Chrysler Corp. refused.

As a result, three Chrysler dealers sued in U.S. Distrcit Court. A federal judge ruled against them, and the U.S. Court of Appeals denied a request for an appeal.

In the mid-1980s, NADA sought federal legislation to halt the practice, but failed to get it passed.

Program vehicles are sold to daily rental companies then repurchased by the automakers at a prearranged price and sold to dealers for retail sale as used vehicles. The annual volume of program cars has grown to nearly 1.5 million.

INDEX

Auction dates	26	Late news	8
Classifieds	37-41	Legal briefs	30
Coming events	36	Letters	14
Dealing with dealers	28	Opinion	14
Incentive watch	46	Personnel	29
Insight	follows Page 24	Production	47
Keith Crain	12	Sales, 10 day	42

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Germany buoys European sales, prevents first quarter nosedive

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — New-car sales in Europe slumped 2.6 percent in the first quarter of 1991, with only the still-booming German market preventing a much steeper overall decline.

First-quarter sales dropped to 3,665,100 from 3,762,200 last year, according to industry estimates compiled by *Automotive News*.

But in Germany, the market rose 44.2 percent in the same period.

European sales fell 1.7 percent, to 1,323,700 in March, the eighth straight month of decline. But German sales surged 35.5 percent, to 424,100, according to preliminary estimates that also reflect sales in eastern Germany.

Without Germany, the Western European market would have declined 14 percent in the first quarter. German sales accounted for 29.4 percent of all cars sold in Western Europe, compared to 19.9 percent during first quarter 1990.

Part of the German surge is the result of continuing strong demand from the former East Germany, although those numbers were not isolated in the unofficial estimates. But the former West Germany is booming on its own. Although official three-month statistics are not yet available, registrations in western Germany in January and February rose 30 percent to 565,617.

But the news was gloomy in most other markets during the first quarter. Sales in the United Kingdom were down 21.5 percent; France declined 20.6 percent; Spain fell 22.8 percent, and Italy was off 1.9 percent.

Despite the slump, Volkswagen AG Chairman Carl Hahn said in an interview that he expects recessions in several major European economies to begin easing in the second half of the year.

"The automotive recession in some countries has been the result of government intervention in the market to bring down inflation," he said.

"Consequently, once the objective has been reached, you can also give some relief to the economy."

> "The automotive recession in some countries has been the result of government intervention in the market to bring down inflation."
>
> **Carl Hahn**
> Volkswagen

Hahn said the current European downturn has broken the normal cycle of a recession.

"Normally, a recession in a major economy lasts one year or less, but in England we have had a recession for more than a year, in Italy and France for half a year or so. So in the second half of this year, I think we will see the first signs of a turnaround — in Spain and England for sure and hopefully also in France and Italy."

In particular, Hahn cited strong economic growth rates in Spain, Europe's fifth-largest market, and prospects for additional momentum from the Olympics in 1992.

Some analysts expect the German market to slow considerably in the second half as higher gas and personal income taxes kick in. But Hahn said the German market will not slip into recession.

"We will miss one in Germany, and nobody will miss it," he said.

As for the overall European market in 1991, Hahn predicted "a little less than last year," when new-car sales totaled 13,382,000, just short of 1989's record of 13,400,800.

Volkswagen is riding the wave in Germany, where it has a commanding market share. It has been Western Europe's sales leader since the mid-1980s, and the group is pulling away from the field. Including the Volkswagen, Audi and Seat brands, the group held 16.4 percent of the market through the first quarter, compared with 14.4 percent for like 1990.

VW has widened its lead over second-place Fiat Group, which includes the Fiat, Lancia and Alfa Romeo brands. Fiat sales dipped 12.6 percent in the first three months and its European market share slipped to 14 percent from 15.6 percent in first quarter 1990.

Peugeot S.A., battered by the downturn in France, lost 1.2 percentage points of share and fell from third to fifth, with 11.6 percent of Europe's market.

Japan's volume in Europe rose 2 percent in the period to 400,800 units, a 10.9 percent share. But in Germany, Japan's penetration was 12 percent in the quarter from 15 percent for all of 1990.

"I don't judge that as anything," said Hahn. "It is just a matter of the length of their supply line. When suddenly the market exploded, they didn't have the cars."

EUROPEAN SALES

Manufacturer	3 months, 1991	1991 share	3 months, 1990	Volume change (%) '91 vs. '90
Volkswagen	601,200	16.4	555,300	+ 8.3
Fiat Auto[1]	513,700	14.0	587,600	-12.6
Ford[2]	454,300	12.4	428,100	+ 6.1
(Jaguar)	4,100	0.1	6,200	-33.9)
General Motors[3]	451,200	12.3	421,000	+ 7.2
Peugeot S.A.[4]	425,900	11.6	493,600	-13.7
Renault	361,600	9.9	388,800	- 7.0
Mercedes-Benz	121,100	3.3	121,000	0.0
Rover	101,800	2.8	111,100	- 8.4
Nissan	103,600	2.8	97,100	+ 6.7
BMW	97,100	2.6	103,700	- 6.4
Toyota	88,200	2.4	86,600	+ 1.8
Mazda	71,700	2.0	70,700	+ 1.4
Volvo	57,100	1.6	71,500	-20.1
Mitsubishi	45,700	1.2	45,800	- 0.2
Honda	39,000	1.1	39,600	- 1.5
Lada	25,800	0.7	27,600	- 6.5
Suzuki	25,400	0.7	26,200	- 3.1
Saab	12,700	0.3	16,600	-23.5
Others	68,000	1.9	70,300	- 3.3
Total	**3,665,100**	**100.0**	**3,762,200**	**- 8.6**

1-Includes Alfa Romeo, Lancia
2-Includes Jaguar
3-Opel, Vauxhall, GM-U.S., Canada; Isuzu; not Saab
4-Peugeot, Citroen, Talbot

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	3 months, 1991	Pct. change vs. 1990
Germany	1,078,100	+44.2
Italy	739,800	- 1.9
France	514,500	-20.6
United Kingdom	457,300	-21.5
Spain	207,000	-22.8
Netherlands	166,800	- 6.2
Belgium-Luxembourg	141,100	-10.0
Switzerland	79,200	-17.2
Austria	77,500	- 2.2
Portugal	49,600	- 3.4
Sweden	43,000	-36.5
Finland	27,500	-37.9
Greece	26,800	+22.1
Ireland	22,700	-18.1
Denmark	21,300	- 8.6
Norway	12,900	-18.4
Total	**3,665,100**	**- 2.6**

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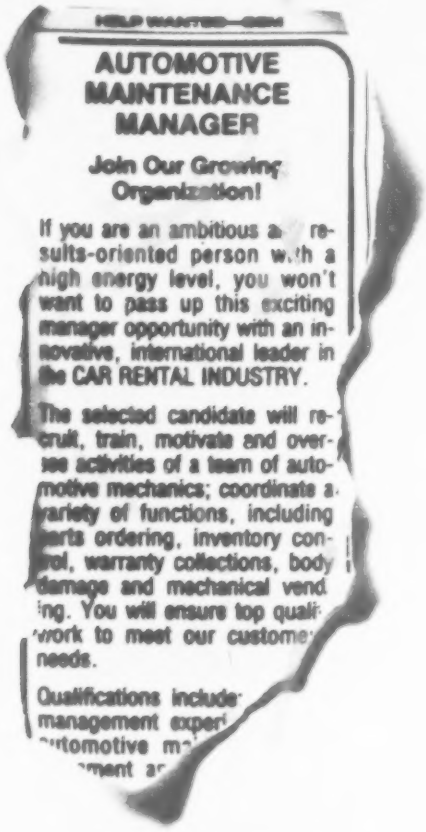
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New feature tracks key world market sales

By William R. Diem
ASSISTANT MANAGING EDITOR

With Germany buoying Europe and minicar sales rocketing in Japan, the U.S. automobile market alone was left to suffer agonizing losses for the first quarter of 1991.

A new feature of *Automotive News*, the monthly Global Tally, summarizes the world's three most important markets. But like all summaries, the bars on the graph conceal complex developments.

The 18.9 percent quarterly loss in the United States was spread across most car and light-truck segments and most companies. The economy was weak for months as 1990 ebbed, and the Persian Gulf war stopped retail buyers cold. If sales figures mask anything, it is the reliance of the Big 3 on fleet sales during the period. Sales to their semi-captive rental fleets proceeded at near normal rates, so the Big 3 loss of 20.6 percent during the quarter was caused entirely by an even sharper decline in retail buyers, estimated at 24 percent.

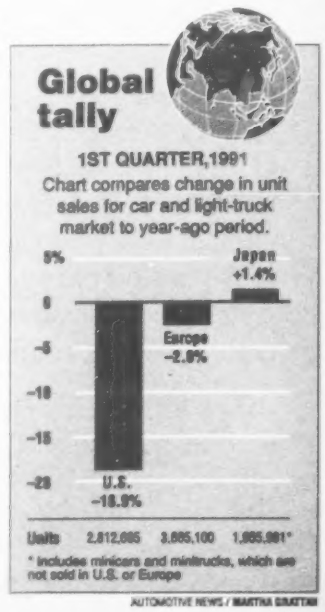
In Japan, a 7.5 percent loss in the primary car market during the quarter was more than overbalanced by a small gain in light trucks and a 26.2 percent rise in sales of minicars and minitrucks. Counting the minis, unit sales increased each month in the period.

Minicars and minitrucks are powered by engines under 600 cc — smaller than many motorcycles.

In Europe, a general collapse of car sales in all countries but Germany is masked by the success of the newly reunited country where 45 years of pent-up demand is beginning to be met (see above story).

The figures for Europe, based on industry estimates compiled by *Automotive News*, include only car sales because data on pickups and commercial vans are not always available from each of the 17 countries totaled.

Global Tally will appear monthly when figures from all three markets become available.



CONTENTS

JOE WILSSENS

Fleet managers are expected to lease or purchase more than 108,000 vehicles this year at a cost of $1.5 billion. Shown is McCullagh Leasing of Roseville, Mich.

FEATURES

Global Blueprint **6i**
The NAFA president sees challenges on the international front

Checks and Balances **10i**
This year's survey finds fleet purchases down, overall sizes steady

Warranty Tune Ups **14i**
With competition running hot, the Big 3 readjust service contracts

Cover photograph by Tim Fuller

DEPARTMENTS

Profile **20i**
Al Fleming **24i**
Jack Keebler **24i**

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INSIGHTS

OWNER EXPENSES CLIMB: The annual cost of owning and operating a new car is up 13 percent in 1991 compared to a 7.8-percent increase last year, according to the American Automobile Association. AAA says total ownership and operating expenses for a new car driven 15,000 miles will be $5,601 this year, up $647 over 1990. Motorists will pay an average 37.3 cents a mile to own and operate a 1991 car, 4.3 cents more than last year. Costs are based on a composite national average for operating three domestically built cars: Ford Escort LX, Ford Taurus L and Chevrolet Caprice. They were equipped with air conditioning, automatic transmissions, power steering, power disc brakes, AM/FM stereos, cruise control, tilt steering wheels, tinted glass and rear-window defoggers.

EPA NUMBERS DON'T MATCH: Examining EPA fuel-mileage estimates for various classifications of vehicles against those reported by automotive fleets, management consulting firm Runzheimer International of Rochester, Wis., finds that vehicles within several categories in various fleets come close to EPA figures — but most fall short. A survey of fleet managers shows that compact cars in business fleets, subcompacts in utility and government fleets, and compact pickup trucks in business fleets match the EPA estimates, but most vehicles do not. According to Runzheimer, EPA figures represent the type of mileage that can be expected from various models of vehicles only under controlled laboratory conditions.

CALIFORNIA DREAM OVER? For whatever reason — droughts, earthquakes, a slowing economy or all three — more people are moving out of California than in. The reverse migration is identified by Mayflower Transit Inc., a long-distance mover which says California led all states in total number of outbound moves in 1990. It was the third straight year in which California experienced more outbound than inbound moves, a trend Mayflower says has continued into 1991. California was the only one of the 11 Western states in the continental United States that had fewer inbound (44.3 percent) than outbound moves in 1990. Oregon had the best performance (62.1 percent) of its interstate activity inbound, followed by Washington (61.2 percent) and Arizona (58.2 percent).

TRUCK-STOP DRUG-ABUSE HELP: The way is paved for truck stops nationwide to provide the first toll-free drug abuse "Helpline." Set to begin in late spring, it will be part of Operation Roadblock, an anti-drug program of the American Truck Stop Foundation and the National Association of Truck Stop Operators supported financially by Bridgestone Tire of Nashville, Tenn., and AT&T. The toll-free phone service allows trucking and truck-stop employees to call for immediate counseling or advice on where they may get help anywhere in the United States.

DATA FLASH: NCR Corp. of Dayton, Ohio, is introducing a nationwide radio data information service that notifies field engineers of customer hotline service calls within 45 seconds. NCR has a $15 million deal with ARDIS of Lincolnsire, Ill., a radio data information service company covering 50 states. The service allows mobile workers connectivity with host computers or with peers on the network. NCR already uses ARDIS in a few large cities.

STUDENTS PREP FOR NATURAL GAS EVENT: Two dozen teams of engineering students from schools across the country will vie in a natural gas-powered vehicle competition in Norman, Okla., June 6-12. They will compete by converting 1991 GMC Sierra pickup trucks to run on natural gas instead of gasoline, with emphasis on improving engine performance and fuel economy while reducing emissions. Scoring will be based on emissions, city and highway fuel economy, cold starting, noise and a dead-weight pull event. Awards will total $21,000. Sponsors include General Motors, SAE, the U.S. Department of Energy, the State of Oklahoma, and Energy, Mines and Resources-Canada.

VW CREDIT SCAN: V-Crest Systems Inc. of Warren, Mich., a member of Volkswagen Group, this month is introducing SCAN (Satellite Credit Card/Check Acceptance Network), a service which allows dealerships to use their satellite dishes for fast credit card and check authorizations. CNET Card Acceptance Services, a division of National Data Corp., is the payment system supplier for the network. SCAN is part of a satellite alliance formed last October by V-Crest and Scientific-Atlanta, supplier of satellite communication systems. The network supports more than 1,000 VW, Audi and Porsche dealerships.

A service which allows Volkswagen dealerships to use their satellite dishes for fast credit card and check authorizations debuts this month.

JOE WILSSENS

Lutz calls the program car problem "a monster that was let out of the box."

LUTZ DECRIES PROGRAM CARS

Chrysler Corp. doesn't plan to follow Ford Motor Co. into the used car business.

As Ford prepares to open dealerships selling only used rental cars this spring, Chrysler is seeking its own solution to the glut of program cars on the market.

"I think it's noble that Ford would try something different to get this problem handled," says Chrysler President Robert Lutz. "But I don't see how that's going to do it, because at the end of the day, you still have that number of almost-new units out there competing with your real new units."

Lutz calls the "program car conundrum" one of the automotive industry's worst nightmares. "It's a monster that was let out of the box," he says. "We have now trained a substantial number of our dealers to buy cars at auction and sell almost-new cars."

Says Lutz: "I jokingly refer to these daily rental units as a sort of mobile sales bank that has gotten registered. They're out there. They're registered. They come back at auction. Dealers buy them for thousands of dollars below our wholesale and sell them as almost new.

"A lot of these vehicles are substitutional for cars that dealers otherwise would have ordered from us at full wholesale price," he says. "It's a big, big unresolved problem," he adds.

Ford is promoting rental-car-only lots as a way to deplete the huge number of program cars that have flooded its inventory since automakers began turning cars over quickly by selling them to daily-rental companies.

Lutz says Chrysler is seeking a way to get out from under program cars without taking a huge one-time market-share loss.

"I don't know what the solution is right now, but I know we've got to have one.

"We've got to get this thing back into some reasonable proportion of our total passenger-car sales. The dilemma is how to get off this thing without taking a one-time, three- or four-month, devastating hit in market share."

The $30,200 "cab for everyone" uses the powertrain, running gear and front end of the C/K pickup.

TAXI FOR DISABLED IS HAILED

A design firm in St.-Laurent, Quebec, has built and put into service a taxi cab said to meet requirements of the physically disabled without compromising regular customer operation.

Vehicles designed for wheelchair access often are too cumbersome, too large, too costly and don't fit into service patterns of cab fleets. Nonetheless, it is expected municipalities soon will begin requiring cab companies to maintain at least some accessible units. Boston, for example, already has mandated that 5 percent of cab fleets in the city be so equipped.

A $30,200 "cab for everyone" was designed and built by GSM Design Ltd.'s GSM Production for GSM Taxi. It uses the powertrain, running gear and front end of General Motors' C/K pickup truck.

It is fitted with a waist-high, wrap-around bumper system aimed at minimizing costly cosmetic damage, said Morley Smith, president of GSM Design.

The taxi was designed originally for New York to replace cabs built by Checker Motor Corp. of Kalamazoo, Mich, but was redesigned to improve access by able, semi-able and wheelchair passengers.

"We've sold one vehicle to the Montreal Urban Transit Commission. It's leased to a private company and is operating profitably in 24-hour service," Smith said.

"My senior partner always wanted to build a sports car, and I'm a hot rodder at heart, but we wound up doing the taxi cab," Smith said.

"We think the cab is the forgotten link in the transportation chain."

OHIO-MADE SWITCHES FOR 1991 ACCORD BOUND FOR JAPAN

United Technologies Corp. is shipping power door-lock switches made in Zanesville, Ohio, to Sayama, Japan, at the rate of about 6,000 per month for installation in the 1991 Honda Accord.

United Technologies Automotive also sells about 60,000 of the switches a month to Honda for use in Accords and Civics built at Honda's Marysville, Ohio, assembly plant.

United Technologies said this is its first direct export to Japan.

Rockwell International's Plastic Products Division in Troy, Mich., is sending around 5,000 bumpers a month to Honda in Japan, also for the Accord.

But Rockwell's business is a temporary fill-in for a bumper maker there who has a capacity shortfall.

The plastic bumpers are made in Rockwell's plant in Lenoir, N.C.

INTEGRATED MANUFACTURING GETS GROUP FOCUS

The Society of Manufacturing Engineers in Dearborn, Mich., is launching a Networking and Communications in Manufacturing Group which will focus on integrated manufacturing.

"The group will have a far-reaching impact on manufacturing competitiveness in the global marketplace," says James F. Barcus Jr., SME president.

"The need to be globally connected will escalate in the coming decade, and networking and communications can facilitate that connection."

WAIT UNTIL NEXT YEAR FOR NEW-CAR GROWTH

After buoyant growth to 27.6 million units in 1989, total new-car sales in the United States, Western Europe and Japan faltered in 1990 to 27.2 million and are expected to slip further, to 26 million in 1991.

According to *World Car Forecasts — The Outlook for Sales, Production and Vehicles in Use to 1996*, published by The Economist Intelligence Unit in London, a slight improvement is forecast for 1992.

This improvement will continue to 1994, when the market is expected to peak at 30.7 million units, before dropping back to just under 30 million in 1996.

Short term, the report predicts:

- A bleak 1991 for car sales in the majority of West European markets.
- Further decline for the United States market.
- A Japanese market on the brink of sharp contraction.

Joseph DiMario, a PPG Industries scientist, checks test preforms.

RECYCLABILITY RISES FOR COMPOSITES

The automotive market is contributing to a down year for the fiberglass reinforced plastics industry.

"The current recession and loss of consumer confidence has hurt many of the industries that rely on composites, especially construction, transportation and marine," says Patrick F. Moore, vice president of reinforcement materials for Owens-Corning Fiberglas Corp. "We expect this cyclical slowdown to continue through most of 1991."

The forecast calls for a 4 percent drop in sales to the automotive market, following slight growth of 3 percent in 1990.

But the news isn't all bad. Composites grew at an average annual rate of 5 percent during the 1980s. And William Holtzclaw, chairman of the Society of the Plastics Industry Inc.'s Composites Institute in New York, says implementation of tougher clean air regulations will mean more use of pollution-control equipment.

Meantime, the SMC (sheet molding compound) Automotive Alliance, an industry consortium, is making headway in creating practical applications for recycled sheet molding compound materials and in developing recyclable composites.

A recent study reports that recycled sheet molding compound "is a valuable raw material that contributes to the physical properties and can be used in the design and production of new composite parts."

Typical applications for recycled sheet molding compound could be non-appearance auto parts such as interior body panels or computer housings.

"The composite could have the same strength as it did before recycling, but wouldn't have the same surface quality," says Dr. W. David Graham, researcher at the Owens-Corning technical center in Granville, Ohio.

Recycling sheet-molded compound in this manner is said to offer several benefits to the composites industry:

- All of the compound is reused, completely removing it from the waste stream.
- Off-the-shelf equipment, formulation techniques and molding technologies can be used.
- Investment needed to recycle is manageable, even for a modestly sized molder.

But several issues still need to be addressed before recycling can become available, according to the study.

Passenger car production

x 000

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Western Europe	12,517	13,031	13,828	13,751	13,652	13,541	13,699	13,994	14,659	15,212
United States ...	7,085	7,110	6,823	6,001	5,907	6,346	6,969	7,315	7,118	6,667
Japan	7,891	8,198	9,052	9,816	9,511	9,278	9,824	10,674	10,680	10,246
Total	**27,493**	**28,340**	**29,703**	**29,567**	**29,070**	**29,165**	**30,492**	**31,984**	**32,458**	**32,125**

SOURCE: The Economist Intelligence Unit

Expected average cost of a single 1991 vehicle

Average for all fleets	Car	Van	Light-duty trucks
United States	$12,731	$14,547	$14,094

All Fleets	Car	Van	Light-duty truck
Banking/finance	11,194	13,863	16,250
Chemical / petroleum	13,945	15,170	13,824
Consumer marketing	13,150	14,045	13,033
Communications	10,680	14,575	15,333
Drugs and cosmetics	13,381	14,621	15,311
Electronics	12,825	11,410	13,000
Food and beverage	12,656	14,708	11,598
Gov't/law enforcement	11,845	13,981	13,893
Industrial manufacturing	13,606	14,985	15,538
Insurance	12,140	15,611	14,571
Public utility	11,462	13,366	13,135
Service organization	13,162	14,180	17,237
Other	13,148	15,347	14,914

Source: National Association of Fleet Administraters survey

AUTOMOTIVE NEWS / MARTHA GRATTAN

Balancing Act

Overall fleet sizes won't change despite a drop in fleet purchases according to NAFA's 1991 survey

By: Charles M. Thomas

All fleet managers face the same fear every working day: that a memo from the head office will appear in their mailbox saying the company will stop providing vehicles to employees and instead will reimburse employees for the use of their own vehicles.

Such a shift in policy would of course eliminate the need for fleet managers.

But a new survey by the National Association of Fleet Administrators concludes those kinds of memos are unlikely. Members responding to the survey believe their companies will continue to provide vehicles to sales and service employees and executives rather than to reimburse them for the use of their personal vehicles.

"Compared to results of the 1990 survey, this year's fleet vehicle purchases are down," says David P. Lefever, NAFA's executive director.

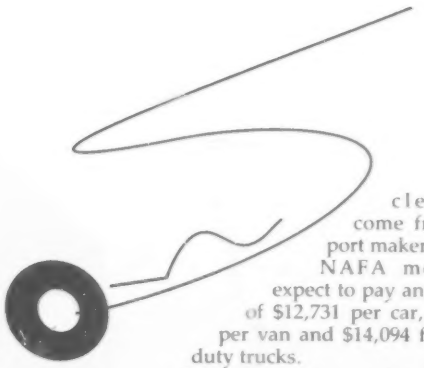
But he adds: "Overall fleet sizes, however, will not change significantly."

According to the survey, 57 percent of respondents plan no substantial changes in their fleet operations. While 14 percent of responding members plan to decrease the number of vehicles in their company fleets, 13 percent say they will increase the number of fleet vehicles. The remaining 15 percent declined to reveal their plans.

NAFA membership consists of more than 2,000 fleet managers in the United States and Canada. They are responsible for approximately 2.7 million vehicles.

Fleets are expected to purchase or lease more than 108,000 vehicles this year at a cost of $1.5 billion.

Members will purchase 38.6 percent of the vehicles from Ford Motor Co., 35.3 percent of the vehicles from General Motors, 23.4 percent from Chrysler Corp. A scant 2.7 percent of the vehicles will come from import makers.



NAFA members expect to pay an average of $12,731 per car, $14,547 per van and $14,094 for light-duty trucks.

Their main reasons for selecting vehicles focus on cost, job suitability, economy of operation, repair record and service record. Lower on the list are image and prestige, and driver preference. Safety and resale value are also concerns.

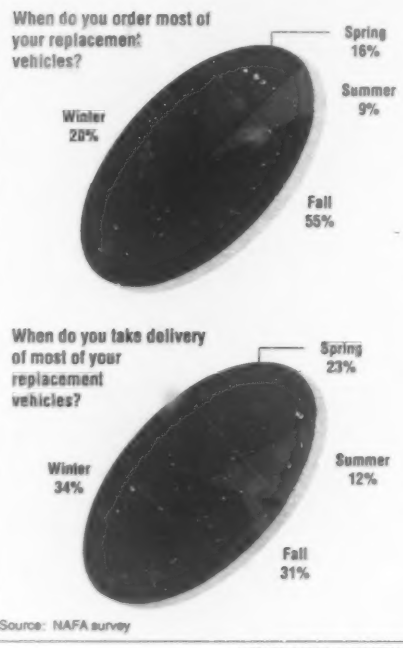
More than half of the respondents said manufacturer option packages have affected their choice of vehicles, with 70 percent choosing the same vehicles as in the past, but with more options at higher costs.

The fleet trend is toward driving more miles and holding onto vehicles for more months before turning them over.

According to NAFA, the average fleet vehicle is driven 2,057 miles each month, with personal use accounting for 339 miles or 16 percent.

Personal use of a company vehicle is allowed by 83 percent of the respondents. □

Fleet orders and deliveries



Source: NAFA survey

AUTOMOTIVE NEWS / CHARLOTTE WINTER

OPTIONS THAT RANK HIGH WITH FLEET MANAGERS

Heading the list of options selected by fleet managers for fleet vehicles are air conditioning, automatic transmission, dual side mirrors, tinted glass and, for all but subcompact vehicles, all-season tires.

Other favorite options include:

- Subcompacts: floor mats, power brakes, power steering, four-cylinder engines.
- Compact cars: AM/FM stereos, power brakes, power steering, pulse wipers, rear defrosters and four-cylinder engines.
- Mid-sized cars: cruise control, floor mats, power brakes, power steering, pulse wipers, rear defrosters, six-cylinder engines.
- Full-sized cars: cruise control, floor mats, power brakes and steering, pulse wipers, rear defrosters, tilt wheels, six-cylinder engines.
- Luxury cars: AM/FM cassette stereos, cruise control, digital clocks, power brakes, power locks, power seats, power steering, power windows, pulse wipers, rear defrosters, split front seats, tilt wheels, fuel-injected six-cylinder engines.
- Minivans: power brakes, power steering, six-cylinder engines.
- Full-sized vans: power brakes, power steering, six-cylinder engines.
- Light-duty trucks: power brakes, power steering, six-cylinder engines.

— Charles M. Thomas

HONDA

FROM PAGE 1

ren, U.S. undersecretary of commerce for international trade, warned Japanese carmakers that trade with the United States could be damaged unless they rapidly increase their purchases of U.S.-made parts.

Honda has involved U.S. suppliers in various stages of its car development, including the U.S.-engineered adaptation of the 1990 Accord into a station wagon last year. But this marks the first time it has invited them to participate in the complete development of a new product developed in Japan.

Honda didn't identify the 43 suppliers. But a company spokesman said they include Japanese firms with North American manufacturing operations and U.S.-Japanese joint ventures.

Honda's move came just a week after the conference in Chicago between Japanese carmakers and U.S. suppliers. At that meeting, U.S. trade officials warned of political repercussions if the Japanese industry doesn't increase its imports of North American componentry.

Many U.S. suppliers have been stumped in their efforts to sell to Japan's carmakers because the Japanese system requires suppliers to participate in the earliest stages of a car's development. U.S. suppliers complain that Japanese suppliers have more access to carmakers there and are favored for the early stages of work.

"Yes, it's partly because of the political pressure," Nelson said. "The plan to do this was always there, but obviously it's now being pushed ahead."

He said that incorporating U.S. suppliers into the design stage has been inhibited by limited resources in Honda's North American product development operations. Honda plans to expand its operations at Honda Research and Development of North America Inc. in Marysville from 300 people to 600 by 1992.

"Quite simply, we haven't had enough product development capability in the past to cope with all of the components that you want to sell us," he said last week to Canadian and U.S. suppliers at the annual meeting of the Automotive Parts Manufacturing Association of Canada.

Honda invited the 43 suppliers to meet with its North American research and development group two weeks ago in Marysville to discuss details of the project.

With "simultaneous design," a vehicle and its components are developed at the same time — a procedure that requires carmakers to select suppliers early in the development process, before parts specifications are determined.

The Honda spokesman said other North American supplier firms will be added to the list, but that some of the original 43 may drop out.

Auto parts are the largest piece of the United States' $41-billion trade deficit with Japan, accounting for about $10.5 billion a year.

Honda has been one of the most aggressive Japanese carmakers in sourcing North American components. Last year, its Ohio-built Accord became the first U.S.-assembled Japanese brand car to reach the level of 75 percent domestic. Its 1992-model Civic, also built in Ohio, should reach the 75 percent level later this year.

Nelson said Honda now spends $2.88 billion a year to purchase parts from 237 suppliers in the United States. Roughly half of those suppliers are Japanese-based companies in the United States or joint ventures with Japanese companies. He said Honda spends another $300 million with suppliers in Canada.

10-DAY CAR AND TRUCK SALES, BY MAKE

	Apr. 11-20 1991	Apr. 11-20 1990
ACURA (imp. car)	3,850	3,832
ALFA ROMEO imp. car)*	102	80
ASTON MARTIN (imp. car)*	2	2
AUDI (imp. car)*	258	677
BMW (imp. car)*	1,402	1,631
Domestic car*	3,216	4,362
Imported car*	94	133
Domestic truck*	18	72
Chrysler Division*	3,328	4,567
Domestic car*	7,499	7,423
Imported car*	893	527
Domestic truck*	12,365	12,079
Imported truck*	114	452
Dodge*	20,871	20,481
Domestic car*	1,514	891
Imported car*	185	465
Eagle*	1,699	1,356
Jeep* (dom. truck)	3,468	4,006
Domestic car*	4,971	6,016
Imported car*	338	522
Domestic truck*	4,549	4,236
Plymouth*	9,858	10,774
Domestic car*	17,200	18,692
Imported car*	1,509	1,646
Domestic truck*	20,400	20,393
Imported truck*	114	452
CHRYSLER CORP.*	39,223	41,183
Imported car*	161	366
Imported truck*	80	145
DAIHATSU*	241	511
FERRARI (imp. car)*	24	24
Domestic car	25,857	40,375
Imported car	1,239	1,582
Domestic truck	35,419	40,522
Ford Division	62,515	82,479
Lincoln (dom. car)	4,251	7,290
Domestic car	9,494	10,203
Imported car	1,601	416
Mercury	11,095	10,619
Domestic car	39,602	57,868
Imported car	2,840	1,998
Domestic truck	35,419	40,522
FORD	77,861	100,388
Buick (dom. car)	15,772	17,008
Cadillac (dom. car)	4,791	5,618
Domestic car	30,907	37,081
Imported car	3,467	4,544
Domestic truck	39,880	47,443
Imported truck	3	28
Chevrolet	74,257	89,096
Domestic car	11,942	13,116
Domestic truck	673	752
Oldsmobile	12,615	13,868
Domestic car	12,293	16,898
Imported car	954	965
Domestic truck	576	1,049
Pontiac	13,823	18,912
Saturn (dom. car)	1,385	0
Domestic car	77,090	89,721
Imported car	4,421	5,509
Domestic truck	41,129	49,244
Imported truck	3	28
GENERAL MOTORS	122,643	144,502
Domestic car	11,544	12,084
Imported car	4,802	6,146
HONDA	16,346	18,230
HYUNDAI (imp. car)*†	3,602	3,594
INFINITI (imp. car)*	717	465
Imported car*	224	121
Domestic truck	1,132	255
Imported truck*	2,919	3,481
ISUZU*	4,275	3,857
JAGUAR (imp. car)*	311	524
LAMBORGHINI (imp. car)*	4	4
LEXUS (imp. car)	1,597	1,691
LOTUS (imp. car)*	8	8
MASERATI (imp. car)*	6	6
Domestic car	3,052	571
Imported car*	4,496	4,650
Domestic truck	228	0
Imported truck*	3,028	2,991
MAZDA*	10,804	8,213
MERCEDES-BENZ (imp. car)*	1,570	2,067
Domestic car	2,349	1,143
Imported car*	1,931	2,660
Imported truck*	469	1,093
MITSUBISHI*	4,749	4,896
Domestic car	3,784	2,323
Imported car*	5,783	9,783
Domestic truck	3,599	4,195
Imported truck*	4,355	6,065
NISSAN*	17,522	22,366
PEUGEOT (imp. car)*	104	144
PORSCHE (imp. car)*	160	282
RANGE ROVER (imp. car)*	96	108
ROLLS-BENTLEY (imp. car)*	30	30
SAAB (imp. car)*	1,126	683
STERLING (imp. car)*	72	122
Domestic car	1,007	100
Imported car*	2,055	3,304
SUBARU*	3,062	3,404
Domestic car	37	0
Imported car	107	143
Domestic truck	182	0
Imported truck	334	480
SUZUKI	660	620
Domestic car	7,165	9,280
Imported car	9,573	10,008
Imported truck	7,177	7,732
TOYOTA	23,915	27,020
Imported car*	2,457	3,910
Imported truck*	137	198
VOLKSWAGEN*	2,594	4,107
VOLVO (car)*†	2,207	2,180
YUGO (imp. car)*	44	171
Domestic car	162,830	191,782
Imported car	57,554	68,458
TOTAL CAR	220,384	260,240
Domestic truck	102,089	114,609
Imported truck	18,712	22,774
TOTAL TRUCK	120,801	137,383
TOTAL CAR & TRK.	341,185	397,622

*Estimated †Breakdown of North American built and imported car sales not available
There were 9 selling days in the period this year and 9 last year. See story on Page 4.

HYUNDAI

FROM PAGE 3

and interior, Chon noted.

The company also is continuing to talk with Chrysler Corp. about the possibility of supplying the U.S. automaker with the upcoming Y3, the successor to the Sonata, he disclosed. An earlier accord to supply Chrysler with 30,000 Sonatas a year from the Hyundai plant in Bromont, Quebec, fell through when Chrysler backed out.

To pick up the slack caused by the drop in U.S. car sales, Hyundai is making an aggressive push into the European market, including Eastern Europe and the Soviet Union, Chon said.

> "If the domestic market wasn't so strong last year, we'd all be bankrupt."
>
> **Chon Song-Won**
> Hyundai president

"We didn't have enough capacity to serve the European market for the last four years," he noted. "Now, we're expanding to Europe."

While the Soviet market holds out great promise, Chon believes "it's too early to say anything."

With the drastic slump in exports, Chon says he has been grateful for the sales boom in the Korean market, which has been expanding at rates of 25 to 40 percent a year for the past three years.

"If the domestic market wasn't so strong last year, we'd all be bankrupt," he quipped. "We were lucky to switch so smoothly from exports to domestic sales."

A slip in Hyundai's home-market share, from nearly 59 percent in 1989 to 53 percent last year, is no cause for concern, he said.

"It is an expanding market, and we lost 30 days of production because of labor troubles," he said. "We are still in our normal band, 50 to 55 percent of the market."

One of the keys to Hyundai's long-term success will be the elimination of the antagonistic feelings that have tainted management-labor relations, he said.

"Labor management relations in Korea are still at the infant stage," he said. "Unions are just three to four years old. In the first year, it was really very difficult. They were all shouting at the table. Now they're talking," he explained.

Last week competitor Daewoo Motor Co. continued to lock out 12,000 striking workers at its Pupyong assembly plant. The workers struck after a union leader was arrested to be questioned about work stoppages and slowdowns.

The Japanese auto industry suffered through similar growing pains in the early 1950s, he observed. It was fortunate enough to escape major havoc.

According to Chon, the Korean industry has been less fortunate. Just as it was attaining a significant scale, it was hit overseas by an export slump and the ascent of Japanese transplants while, at home, labor-management problems began to flare as a result of Korea's democratization in 1987.

"We say repeatedly: 'Ten years ago, there was a hungry spirit. Now, no hungry spirit.' We say to our workers, 'You must work hard to enjoy life, otherwise this country will become like Latin America, a basket case,' " he concluded.

Gelgota quits VW marketing job

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

William A. Gelgota Jr., who helped launch Volkswagen's *fahrvergnugen* advertising campaign, resigned April 11 as director of marketing for Volkswagen United States Inc.

Gelgota: It felt like the right time to move on

Gelgota, reached at his metropolitan Detroit home, said he left VW because he wants to spend more time with his family and to pursue other interests.

He said that after conversations with William J. Young, president and chief executive officer of Volkswagen of America, and John Kerr, president of VW North American Operations, his resignation "works out for the best."

"It was a good six years; it just felt like the right time" to move on, he said.

Gelgota said he is "keeping all options open" from a career standpoint and in the immediate future will spend time with his wife and two young sons.

Young was out of town and could not be reached for comment. Donna Boland, a VW spokeswoman, said no replacement for Gelgota has been named.

Ron Dusenberry, VW advertising manager, is overseeing the day-to-day work of the department, she said.

The *fahrvergnugen* campaign, which began Feb. 1, 1990, has heightened awareness for the German manufacturer but has done little to generate sales.

Gelgota said the campaign is still evolving and the next phase will talk more about the product.

Volkswagen sales were down 24 percent for the first quarter of 1991.

Gelgota joined VW in 1985 as manager of advertising and was named marketing director April 1, 1989.

Prior to joining Volkswagen, Gelgota was vice president and management supervisor at the J. Walter Thompson advertising agency in Detroit where he worked on the Ford Division and the Ford North American Automotive Operations accounts.

Gelgota also worked at Lintas:Campbell-Ewald Co. in Warren, Mich., where he served in the agency's merchandising and field-dealer advertising departments for the Chevrolet account.

FIREHAWK

FROM PAGE 3

has already received 20 orders. Production starts in July with a maximum build rate of five Firehawks per week.

SLP, which stands for Street Legal Performance, modifies stock Firebirds to provide enormous horsepower and torque gains with custom-made parts and parts from GM's Performance Parts Catalog.

At present the most powerful Firebird delivers 240 hp. And its 350-cubic-inch V-8 is available only with a four-speed automatic. The Firehawk's 350 V-8 makes 350 hp at 5,500 rpm and generates 390 pounds-feet of torque at 4,400 rpm.

Some of the important changes are a beefed-up engine block with four-bolt main bearing caps, a steel crankshaft, forged connecting rods, "light-weight" pistons, modified Corvette cast-aluminum cylinder heads, a high-flow intake manifold, a special high-performance brake system, stiffer suspension bushings, a stronger driveshaft and rear axle, a high-flow stainless steel exhaust system and the Corvette's ZF six-speed gearbox.

For customers not satisfied with the "base" Firebird Firehawk, there's an optional "competition package." It includes an aluminum replacement hood, Recaro driver's seat with factory upholstery and five-point seat-belt system, a six-point padded roll bar and rear-seat deletion. And because what goes fast must also slow down, SLP fits four-piston Brembo brake calipers with vented and cross-drilled rotors. These are the same ultra-high-performance brakes used on many Indy-style race cars and the exotic Ferrari F40.

Sundance, Shadow gain first-time-buyer bucks

Chrysler Corp. announced a $500 first-time buyer incentive on some 1990 and 1991 Plymouth Sundance/Dodge Shadow models. The payment can be added to other national consumer incentives. Included are 1991 Sundance America/Shadow America, 1991 Shadow convertible and 1990 and 1991 Highline models.

National Sundance/Shadow consumer incentives are: 1991 Highline, $500; 1991 Shadow convertible, $1,000, and 1990 Highline, $700.

Chrysler describes a "first-time" buyer as a person who has never purchased or leased a new car from any manufacturer.

The first-time buyer program is in lieu of Chrysler's college graduate, military graduate, Advantage Gold Key Leasing, employee purchase or direct-mail certificate incentive offers.

Toyota Motor Sales U.S.A. is paying rebates to dealers based on performance against quotas. The payments, which include 1989 models as well as 1990s and 1991s, are $200 to $1,200 on Camry, Corolla, Celica and pickup trucks.

The program will expire on June 3.

— **Arlena Sawyers**

INCENTIVE WATCH

CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Rebates expire June 30, 1991 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	$1,000-1,500
1990	$500-1,000
Dodge Monaco (1991)*	$1,500
Other 1991 cars*	$400-1,000
Monaco (1990)*	$1,500
Other 1990 cars	$700-1,000
Dodge trucks (1991)	$300-1,500
1990 Trucks	$500-2,000
Eagle Premier (1991)*	$1,500
Other 1991	$700
Premier (1990)*	$1,500
Other 1990	$700,1000
Jeep	
Grand Wagoneer ('91)**	$1,500
Other 1991	$500-1,000
Grand Wagoneer ('90)**	$1,500
Other 1990	$1,000-2,000
Plymouth (1991)	$400-1,000
1990 models	$700-1,000
All minivans without air bag (1991)	$500
1990 models	$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 LeBaron and Daytona
**Expires Dec. 31 on Grand Wagoneer

FORD MOTOR CO.

Finance rates in lieu of rebates range from 4.8 percent to 7.9 percent. All incentives expire June 4.

Ford cars (1991)	$500-1,500
Cars (1990)	$650-900
Trucks (1991)	$500-1,500
Trucks (1990)	$650-1,150
Mercury (1991)	$500-1,000
Tracer (1990)	$650

GENERAL MOTORS

All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire May 5 on 1990 models, July 7 on 1991 models.

Buick (1990)	$250-2,000
Cadillac Brougham ('91)	$1,500
1990 models	$1,200
Chevrolet (1990-91)	$300-1,000
Trucks (1990-91)	$500-1,000
GMC (1990)	$500-1,000
Suburban (1991)*	$1,000
Other 1991	$500-1,000
Oldsmobile (1990-91)	
Regional incentives	$500-2,250
Pontiac Grand Am ('91)	$1,000

*Expires Sept. 25

HYUNDAI (expires July 2)

Excel (1990-91)	$500-1,000
Sonata (1990-91)	$1,000
Scoupe (1991)	$750

MAZDA (expires May 2)

626, MX-6 (1991)	$1,500

SUBARU (expires May 2)

Justy ECVT (1990-91)	$500
Loyale (1991)	$500

TOYOTA (1991, expires Oct. 1)

Celica GT, 4Runner	$800 discount on options

INCENTIVE WATCH

DEALER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	$500
Monaco (1991)	$1,000-2,000 based on sales, plus $1,000 for each car ordered from factory
Monaco (1990)	$1,000-2,000, based on sales
Eagle Premier (1991)	$1,000-2,000 based on sales, plus $1,000 on each car ordered from factory
Premier (1990)	$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	$3,500
Plymouth Acclaim (1990-91)	$500
Caravan, Voyager (no air bag) 1991	$500

GENERAL MOTORS

Chevrolet Corvette (1990-91)	$2,000

HONDA (expires April 30)

Accord (1991)	$500

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	$100-300, based on sales

ISUZU (expires June 30)

1990-91 models	$800-2,000 based on sales

MITSUBISHi (1990-91, expires April 30)

Cars, pickups	$300-1,300, quota
Montero	$1,500-2,000, based on sales

NISSAN (expires May 2)

Sentra (1991)	$0-700, quota
Stanza (1990-91)	$0-1,500, quota
Pickups (1990-91)	$400-1,200, quota
Pathfinder (1991)	$1,500, quota
Pathfinder (1990)	$1,500

PEUGEOT (1990, no expiration date) $2,000

SUBARU (expires May 2)

XT (1990-91)	$2,000
Legacy (1991)*	$500-1,700
Loyale (1990)	$800-1,500

*$1,000 extra on 1990 Legacys

SUZUKI (expires June 3)

Swift (1991)	$400-500
Swift (1990)	$400-1,000
Sidekick (1991)	$500-1,000
Sidekick (1990)	$1,000-1,500
Samurai (1990)	$500

TOYOTA (expires June 3)

All rebates are based on performance against quota

Corolla (1989-91)	$200-1,000
Camry (1989-91)	$200-1,000
Celica (1989-91)	$300-1,200
4x2 pickups (1989-91)	$300-1,100
4x4 pickups (1989-91)	$200-1,000

VOLKSWAGEN (1990, no expiration date)

Cars	$500-1,500

Would-be Alfa dealers win $2.4 million

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

VAN NUYS, Calif. — A Southern California jury last week found the former Alfa Romeo Inc. guilty of reneging on a contract involving two used-car dealers who had signed a letter of intent to open an Alfa dealership.

The company now is called Alfa Romeo Distributors of North America Inc.

The dealers were awarded $2.4 million, including $1.5 million in punitive damages. The jury found that such a document from a manufacturer or distributor is a binding contract.

Jim Moors, an attorney in the legal department of the National Automobile Dealers Association, said contract rules vary from state. "A letter of intent could very well be considered a contract depending on what the parties agreed to," he said. "If they agreed to the awarding of a franchise and a dealer started to build facilities and make other arrangements to open a dealership, grounds could exist for the court to find that the letter of intent is a binding contract."

The plaintiffs, Carl Loizzi and William Marano, filed suit in February 1986. According to their attorney, Leonard Comden, the pair planned to open a facility based on the letter of intent they had received from a district manager. But then they received a "Dear John" letter from Alfa Romeo saying that the company was not going to honor the letter of intent.

Loizzi and Marano were converting one of their used-car facilities to an Alfa Romeo store. Comden said his clients were working with a "list of about 10 to 12 things that Alfa had asked them to do to the facility" to get it up to specification.

When Alfa Romeo decided to go with another dealer in the area, Comden said, his clients were simply told their facility was too small. "That was not one of the points in the letter of intent," he said, so it caught them by surprise.

Comden said Alfa Romeo gave the franchise to a Volkswagen dealer in the area, La Torre Volkswagen-Alfa. Since then, La Torre has parted with Alfa Romeo.

Loizzi and Marano claimed they were led to believe that the letter of intent was a contract. They said Alfa and its regional managers misrepresented their intentions in regard to awarding the franchise.

Comden said Alfa Romeo claimed the letter could not have been a contract because it was signed by a regional representative, not an officer of the company. Comden said his side presented evidence showing that in similar instances, Alfa Romeo honored a district manager's signature.

The jury awarded compensatory and punitive damages for breach of oral and written contract, fraud and conspiracy to defraud, bad faith denial of contract (the standard that opened the door for punitive damages) and infliction of distress.

Ed Siegler, attorney for Alfa Romeo, declined to comment on specifics of the case. He said his clients have "not yet cleared a position statement," about the verdict. Siegler said an appeal is "under consideration."

Venture to sell steel crankshafts to Big 3

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

International Crankshaft Inc., a new joint venture between Japan's Sumitomo Metal Industries Ltd. and Masco Industries Inc. of Taylor, Mich., will begin producing forged-steel crankshafts in the United States next year.

The plant signals a new level of high-tech component production in the United States based on Japanese technology. Most U.S.-made cars contain cast-iron crankshafts. The stronger and lighter steel components are in increasing use among Japanese carmakers.

The venture's $40-million plant in Georgetown, Ky., will begin production in April 1992 and will build up to 800,000 a year. Plans call for selling to some Japanese carmakers with U.S. engine assembly operations, and to the Big 3.

Until now, most Japanese transplant carmakers have installed engines assembled in Japan. Both Nissan Motor Manufacturing Corp. U.S.A. and Toyota Motor Manufacturing U.S.A. Inc. are increasing the domestic component level of their U.S.-installed engines. Other transplants may do the same.

"Chrysler, Ford and General Motors are already using steel in some trucks, and they are looking at steel for automotive applications now," said Daniel Condon, vice president of the venture. "The trend in Japan is away from iron to steel crankshafts. Everybody seems to believe the Big 3 will follow the Japanese trend."

International Crankshaft plans to supply Toyota's engine plant in Georgetown. The operation will produce up to 800,000 crankshafts annually, with commercial production scheduled to start next April.

The venture also is planning to target Nissan, which assembles engines in Smryna, Tenn., and is constructing a $500-million engine plant in Decherd, Tenn.

International Crankshaft is 19.9-percent owned by Masco and 80.1-percent owned by Sumitomo.

CONGRESS

FROM PAGE 1

for retaliation against Japan and more protection from Congress. But the stage for persuading Congress to wage a trade war was set almost immediately after the delegation landed last Thursday and was whisked off to visit with top UAW leaders and Chrysler Corp.

Chrysler Chairman Lee Iacocca said the Big 3 will lose $4.2 billion during the first quarter of 1991, significantly more than the $3 billion Wall Street had anticipated.

Iacocca also outlined an eight-point trade program for Congress that included the plea for cutting Japanese imports by 500,000 this year.

"We were told we have to do our job," said Marcy Kaptur, D-Ohio, and co-chairman of the Congressional Competitiveness Caucus. The group planned the trip a year ago, before the current recession.

Iacocca's pleas were similar to those swiftly rebuffed by the Bush cabinet and the president himself last month. But members of the delegation were more sympathetic than the White House, and several said they were stunned to hear Detroit say that Japanese transplants not only pay little, if any, taxes but also control nearly 37 percent of the market in the United States.

While Washington is in the midst of debating increases in the corporate average fuel economy standard, the issue was not stressed during the two-day visit, Kaptur said.

At two of the companies, the issue came up only because members asked executives how they felt about a 40-mpg standard, she said.

At the the UAW, the legislators heard a a 20-minute presentation from UAW President Owen Bieber, who urged rejection of the proposed free-trade agreement between the United States and Mexico, pleading it would lead to a loss in jobs. The union's stand was news to some congressmen, including Joe Barton, a Republican from bordering Texas. "I thought the union supports 'fast-track' approval of Mexico," said Barton, referring to the Bush administration's desire to expedite the deal with minimal debate.

From there, the congressmen took a bus tour of the Chrysler plant on Jefferson Avenue, where a new plant will open next year to replace a torn-down facility.

Chrysler unveiled 10 cars that it will introduce from 1992 to 1996 and then unleashed Iacocca; Robert Lutz, Chrysler president, and Robert Miller, chief financial officer.

On Friday, the 40 congressmen went to a Ford test site and witnessed the crash of a Taurus equipped with an air bag in the standard 30-mph crash all cars must pass to be certified. Veteran racer Jackie Stewart took the less faint-of-heart around the test track in a stock SHO Taurus.

The tour of the Cadillac Detroit-Hamtramck plant took more than 1.5 hours. The tour caused former Detroiter, Rep. Barbara Rose Cardiss Collins, to ask, 'What happened to this plant?"

She lamented the plant could run on two shifts but only one was running and on reduced hours, a reality that sharply contrasted with her childhood memories of Detroit as the busy hub of a prospering automotive industry.

Rep. James Scheuer, D-N.Y., even suggested Congress take a "fresh look" at the anti-trust laws that were drafted to keep U.S. companies from colluding and conspiring with each other to see whether provisions can be made to allow U.S. companies to work with each other to compete against European and Japanese companies.

At the final press conference, attended only by eight Congressmen, members' comments were spiced with "I'm sorry 535 of us weren't here," from Rep. Ralph Regula, R-Ohio, to "there will be an important ripple effect from our visit," by Rep. John Conyers, D-Mich.

Would the industry recover if the government gives it what it wants?

No, said Rep. Sander Levin, D-Mich. "But all three companies have a sense we can do better and do more," Levin said.

The industry wants government that works with it, "not against it," Levin said.

'Jolly John' closes doors: 'I'm broke'

SACO, Maine — Flamboyant auto dealer "Jolly John" Pulsifer, who once owned one of the largest Ford dealerships in New England, has called it quits.

"Two years ago, I'm a multimillionaire; today, I'm broke," Pulsifer said. "I lost my house — everything."

The troubled Ford dealership, once the seventh largest in New England, had been operating under Chapter 11 bankruptcy protection since August, but Fleet Bank called for a hearing to evict the dealership from its quarters.

The dealership listed assets of $4.1 million and liabilities of $6.9 million in its Chapter 11 filing.

Pulsifer hoped the dealership would emerge from the court's protection, but that hope died last week when he told his final 41 workers that the dealership was broke and sent them home.

Pulsifer blamed the closing on lack of credit. He said an agreement with General Electric Credit Corp. to provide $1 million to buy cars proved too restrictive.

On Jan. 29, Fleet Bank was allowed to foreclose the Jolly John Auto Mall land and building. On March 25, a York County Superior Court judge appointed Boulos Property Management Co. receiver of the property.

Because Jolly John Ford was operating under bankruptcy protection, the handing over of the property to the Portland real estate firm had little effect on operations. But Fleet Bank pushed for eviction so it could sell the property.

John Fitzgerald, the federal government's trustee in the case, said Pulsifer had a reorganization plan, but lacked financing.

Fitzgerald said he will appoint a trustee to sell the assets when the bankruptcy is converted to Chapter 7 (liquidation). He said many of the dealership's 230 creditors won't see their money.

Pulsifer, known across southern Maine for his television commercials, said closing the dealership was "heartbreaking." But, "My wife still loves me. My daughter loves me. It's not a big deal."

— The Associated Press

Saturn begins regional ads on product, price

By Raymond Serafin
CRAIN NEWS SERVICE

As Saturn Corp. opens 40 more dealerships through the end of May, the "different kind of car company" is launching its first regional TV advertising.

The five 30-second spots, which use visual and verbal puns, are breaking this month on spot television in eight cities. More cities will be added as Saturn continues to add new markets.

While national advertising focuses exclusively on image, the regional advertising adds retail elements, such as price, fuel economy and dealership locations.

Typifying the new spots is one in which a Saturn sedan is set in the middle of a field of flowers. With drums beating on a background sound track, a young woman points to the car. Finally, the voice-over says, "Judy Stelzer of Yreka points out why she didn't buy an import." The spot closes with a title card that reads, "The $10,570 Saturn SL2," with room to identify dealers.

"We're trying to reinforce the personality of the company as one that doesn't believe in a lot of hype," said Patrick Sherwood, senior vice president and director of the Saturn account for Hal Riney & Partners in San Francisco.

Sherwood said he believes use of humor communicates that a company has confidence in itself.

"The imports tend not to take themselves as seriously" as the domestic marketers, Sherwood said.

Saturn is targeting buyers who own or who are leaning toward buying import nameplates.

PRODUCTION

U.S. CAR

	Week Ended Apr. 7, 1991	Week Ended Apr. 20, 1991	Apr. to Date	Jan. 1 to Apr. 27, 1991	Jan. 1 to Apr. 28, 1990
Horizon	0	0	0	0	4,327
Sundance	0	0	1,795	12,085	23,474
Acclaim	2,600	0	2,600	24,149	25,218
Total Plymouth	**2,600**	**0**	**4,395**	**36,234**	**53,019**
LeBaron A	0	0	0	0	7,642
LeBaron J	0	1,749	4,957	12,490	11,685
N. Yorker C-Class	0	0	349	2,468	7,822
Fifth Avenue	0	0	1,901	8,089	8,928
Imperial	0	0	306	2,125	5,605
Total Chrysler	**0**	**1,749**	**7,513**	**25,172**	**41,682**
Omni	0	0	0	0	4,078
Daytona	700	611	2,363	5,054	8,846
Shadow	0	0	2,083	14,136	26,233
Dynasty	0	0	2,806	33,206	35,164
Spirit	2,250	0	2,250	21,731	26,975
Total Dodge	**2,950**	**611**	**13,032**	**77,659**	**101,296**
CHRYSLER CORP.	**5,550**	**2,360**	**24,940**	**139,065**	**195,997**
Escort	5,475	5,733	15,807	59,669	60,453
Mustang	3,393	3,652	10,405	21,863	44,575
Tempo	3,161	3,266	8,606	33,445	43,246
Taurus	7,814	6,369	28,271	97,363	125,892
Thunderbird	2,234	2,509	8,071	23,584	**37,987**
Total Ford Div.	**22,077**	**21,529**	**71,160**	**235,924**	**311,863**
Topaz	1,239	1,149	3,729	14,563	16,905
Cougar	2,024	1,654	6,461	17,640	25,216
Sable	2,666	2,190	9,529	31,854	37,648
Total Mercury	**5,929**	**4,993**	**19,719**	**64,977**	**79,769**
Continental	997	1,203	4,342	18,778	18,301
Mark VII	179	210	765	3,283	9,147
Town Car	2,323	2,829	10,201	44,158	55,101
Total Lincoln	**3,499**	**4,242**	**15,308**	**66,219**	**82,549**
Total L-M Div.	**9,428**	**9,235**	**35,027**	**130,296**	**162,318**
FORD MOTOR CO.	**31,505**	**30,764**	**106,187**	**366,220**	**474,181**
Skylark/Somerset	0	1,932	5,833	34,929	28,367
Century	1,808	1,874	7,165	24,299	20,762
Riviera	283	278	1,082	3,346	7,524
Electra/Park Ave.	2,256	0	2,256	28,593	12,662
LeSabre (fwd)	213	150	363	33,432	53,122
Roadmaster Wagon**	790	790	3,160	8,797	2,222
Reatta	98	98	372	975	2,832
Total Buick	**5,448**	**5,122**	**20,231**	**134,530**	**127,491**
Eldorado	365	359	1,374	5,294	7,206
Seville	909	927	3,457	11,199	9,896
Brougham (rwd)	410	470	1,641	6,418	13,189
DeVille (fwd)	3,651	1,733	10,372	42,913	52,666
Allante	53	64	232	1,011	1,199
Total Cadillac	**5,388**	**3,553**	**17,076**	**67,593**	**84,156**
Cavalier	5,475	6,301	21,874	89,695	99,355
Camaro	1,182	836	2,836	12,533	17,428
Corsica/Beretta	6,592	6,256	20,024	70,653	91,253
Caprice	2,992	3,321	11,582	42,331	70,239
Corvette	445	483	1,798	7,618	7,616
Total Chevrolet	**16,686**	**17,197**	**58,114**	**222,830**	**285,891**
Calais	0	2,173	6,463	34,616	29,733
Cutlass Ciera	2,550	2,568	9,430	22,187	25,876
Cutlass Supreme	2,543	2,297	9,291	32,964	27,324
Toronado	153	146	584	2,317	6,741
88 (fwd)	212	150	362	19,330	29,267
Custom Cruiser Wag.***	205	205	820	3,941	1,183
98	1,549	713	4,994	25,160	18,253
Total Oldsmobile	**7,212**	**8,252**	**31,944**	**140,515**	**138,377**
Sunbird	2,395	2,720	9,039	39,896	44,796
Grand Am	6,240	5,274	20,168	71,207	60,207
Firebird	568	560	1,519	3,929	10,657
Grand Prix	2,025	1,763	6,540	29,965	32,491
Pontiac 6000	610	643	2,506	10,070	18,098
Bonneville	0	0	0	20,940	24,089
Total Pontiac	**11,838**	**10,960**	**39,774**	**176,007**	**190,338**
Total Saturn	**1,385**	**1,385**	**5,540**	**18,917**	**0**
GENERAL MOTORS	**47,957**	**46,469**	**172,679**	**760,302**	**826,253**
DIAMOND-STAR	**3,136**	**3,231**	**12,571**	**51,470**	**48,351**
Civic	1,570	2,097	7,811	30,340	39,721
Accord	7,455	7,627	30,068	116,500	106,155
HONDA	**9,025**	**9,724**	**37,879**	**146,840**	**145,876**
MAZDA†	**3,251**	**3,205**	**11,735**	**49,132**	**61,914**
NISSAN	**2,630**	**2,641**	**10,175**	**46,366**	**36,154**
Corolla	2,100	2,118	8,108	34,389	35,318
Geo Prizm/Nova	2,000	1,940	8,122	33,710	32,668
NUMMI	**4,100**	**4,058**	**16,230**	**68,099**	**67,986**
SUBARU-ISUZU	**1,200**	**1,049**	**4,582**	**18,684**	**9,083**
TOYOTA	**4,400**	**4,412**	**17,610**	**73,346**	**73,480**
TOTAL BIG 3	**85,012**	**79,593**	**303,806**	**1,265,677**	**1,496,431**
TOTAL TRANSP. JAP.	**27,742**	**28,320**	**110,782**	**453,937**	**440,844**
TOTAL CARS, U.S.	**112,754**	**107,913**	**414,588**	**1,719,614**	**1,937,275**
TOTAL CARS, CANADA	**21,815**	**25,455**	**71,769**	**331,019**	**301,514**
U.S., CANADA CARS	**134,569**	**133,368**	**486,357**	**2,050,633**	**2,238,789**
U.S., CANADA CARS AND TRUCKS	**231,849**	**213,002**	**798,388**	**3,266,162**	**3,813,236**

Monthly estimates may contain error of one or two units due to rounding.
*Estimate †Total includes MX-6, 626, and Ford Pr
**1990 totals reflect the LeSabre (rwd) ***1990 totals reflect Olds. 88 (rwd)

CANADIAN CAR

	Week Ended Apr. 27, 1991	Week Ended Apr. 20, 1991	Apr. to Date	Jan. 1 to Apr. 27, 1991	Jan. 1 to Apr. 28, 1990
Monaco	555	0	555	1,245	3,593
Premier	720	0	720	2,333	1,252
CHRYSLER CORP.	**1,275**	**0**	**1,275**	**3,578**	**4,845**
Tempo	0	3,118	3,677	33,241	40,017
Topaz	0	1,257	1,398	9,081	13,943
Crown Victoria	1,390	1,563	5,041	29,481	40,791
Grand Marquis	2,700	3,106	9,651	23,014	36,686
FORD MOTOR CO.	**4,090**	**9,044**	**19,766**	**94,817**	**131,437**
Celebrity	0	0	0	0	7,496
Cutlass Ciera	1,780	1,803	3,868	19,650	26,886
Lumina	5,100	5,042	15,552	60,797	73,492
Regal	2,900	0	6,754	34,813	54,600
GENERAL MOTORS	**9,780**	**9,677**	**29,006**	**118,082**	**161,857**
CAMI	**2,400**	**2,448**	**7,828**	**41,928**	**0**
HONDA	**2,190**	**2,211**	**7,060**	**35,088**	**35,643**
HYUNDAI	**530**	**533**	**1,844**	**12,316**	**5,362**
TOYOTA	**1,370**	**1,370**	**4,421**	**22,330**	**28,193**
VOLVO	**180**	**180**	**576**	**2,878**	**2,987**
TOTAL CARS, CANADA	**21,815**	**25,455**	**71,769**	**331,019**	**301,514**

U.S. TRUCK

Caravan	2,000	2,574	6,910	33,399	37,497
Dakota	1,950	2,029	6,282	22,174	23,734
Caravan C/V	50	138	291	1,331	2,447
Ram pickups	2,000	2,009	6,323	22,173	34,583
Total Dodge	**6,000**	**6,750**	**19,805**	**79,077**	**98,261**
Cherokee	4,100	4,104	8,859	33,438	52,661
Comanche	150	123	292	1,786	2,407
Grand Wagoneer	0	0	0	0	1,455
Wagoneer/Briarwood	100	105	223	1,006	1,183
Total Jeep	**4,350**	**4,332**	**9,374**	**36,230**	**57,706**
Voyager	2,050	2,374	6,412	27,424	36,121
Town & Country	50	99	219	1,019	1,194
Total C-P Div.	**2,100**	**2,473**	**6,631**	**28,443**	**37,315**
CHRYSLER CORP.	**12,450**	**13,555**	**35,810**	**143,750**	**193,282**
Aerostar	4,148	4,168	13,051	43,605	62,358
Bronco	688	0	792	3,613	17,909
Bronco II/Explorer	5,727	6,571	19,056	88,746	37,754
Navajo	141	159	463	4,491	0
Econoline	3,936	2,067	8,623	37,937	61,909
Mediums/Heavies	0	1,026	2,215	11,288	16,827
Light trucks	8,952	4,145	17,781	80,270	147,613
Ranger	6,285	6,389	17,307	75,999	99,258
Total Ford Div.	**29,877**	**24,525**	**79,288**	**345,949**	**443,628**
FORD MOTOR CO.	**29,877**	**24,525**	**79,288**	**345,949**	**443,628**
Astro	2,390	2,234	7,600	29,369	36,585
Blazer	139	0	175	2,223	5,481
Lumina APV	1,230	0	2,669	10,272	32,108
Mediums/Heavies	196	101	542	672	2,644
P-Model	0	364	824	5,069	7,764
Pickups	6,028	3,137	16,341	74,495	117,077
S-10	5,943	6,455	19,057	76,202	76,050
S-10 Blazer	2,029	1,644	5,605	10,930	38,420
Sportsvan/Van	980	1,087	3,579	13,158	20,552
Suburban	674	925	2,435	7,929	21,759
Total Chevrolet	**19,609**	**15,947**	**58,828**	**230,319**	**358,440**
Jimmy	95	0	116	846	1,818
Mediums/Heavies	505	456	1,396	1,620	4,128
P-Model	0	138	263	1,124	970
Pickups	2,676	1,435	6,737	36,546	40,003
S-15/Sonoma	1,290	1,179	3,889	18,382	18,870
S-15 Jimmy	638	539	1,731	3,696	11,808
Safari	970	1,156	3,006	11,531	11,271
Suburban	498	470	1,659	7,308	9,331
Vandura/Rally Vans	635	756	1,752	5,650	7,736
Total GMC	**7,387**	**6,129**	**20,552**	**86,705**	**105,935**
Silhouette	623	0	1,280	5,038	10,284
Bravada	152	119	773	7,003	0
Total Oldsmobile	**775**	**119**	**2,053**	**12,041**	**10,284**
Pontiac Trans Sport	**1,570**	**0**	**2,692**	**7,118**	**18,284**
GENERAL MOTORS	**29,361**	**22,195**	**84,125**	**336,183**	**492,943**
NAVISTAR	**1,402**	**1,851**	**4,615**	**24,940**	**23,248**
NISSAN	**2,690**	**2,661**	**8,490**	**44,963**	**50,570**
SUBARU-ISUZU	**1,000**	**958**	**2,670**	**16,560**	**9,972**
AM GENERAL	**400**	**400**	**1,200**	**6,850**	**7,740**
MISCELLANEOUS	**2,650**	**2,650**	**8,480**	**45,400**	**51,500**
TOTAL TRUCKS, U.S.	**79,830**	**68,495**	**224,758**	**964,595**	**1,272,183**

CANADIAN TRUCK

Caravan	3,258	3,222	10,245	44,699	54,285
Caravan C/V	336	243	1,124	10,549	4,292
Ram Wagon	715	0	1,544	6,600	7,589
Ram Van	1,205	0	2,608	11,658	19,197
Total Dodge	**5,514**	**3,465**	**15,520**	**73,506**	**85,363**
Voyager	2,550	2,714	8,156	33,737	44,774
Total Plymouth	**2,550**	**2,714**	**8,156**	**33,737**	**44,774**
Wrangler	0	1,630	3,528	16,227	16,649
Total Jeep	**0**	**1,630**	**3,528**	**16,227**	**16,649**
CHRYSLER CORP.	**8,064**	**7,809**	**27,204**	**123,470**	**147,056**
FORD MTR (L. Hts.)	**3,821**	**0**	**3,478**	**26,645**	**47,207**
Light trucks	2,195	3	5,915	41,755	60,147
Vans	1,440	1,696	4,920	14,627	15,207
Total Chevrolet	**3,635**	**1,699**	**10,835**	**56,382**	**75,354**
Light trucks	1,055	2	2,412	16,804	22,688
Vans	510	413	1,637	6,699	6,437
Total GMC	**1,565**	**415**	**4,049**	**23,503**	**29,125**
GENERAL MOTORS	**5,200**	**2,114**	**14,884**	**79,885**	**104,479**
CAMI	**1,000**	**1,050**	**3,344**	**18,397**	**0**
NAVISTAR	**166**	**166**	**362**	**2,537**	**3,522**
TOTAL TRKS., CANADA	**17,450**	**11,139**	**49,273**	**250,934**	**302,264**
U.S., CANADA TRKS.	**97,280**	**79,634**	**274,031**	**1,215,529**	**1,574,447**

Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

Border block no problem

By William R. Diem
ASSISTANT MANAGING EDITOR

Canadian truckers upset with their government blockaded industrial traffic for several days last week on the Ambassador Bridge between Detroit and Windsor, Ontario, but it did not seem to have as much effect as a similar demonstration a year ago.

Car and truck production in the United States and Canada increased 8.9 percent from the week before, although the total was 14.6 percent behind the same week a year earlier.

Total car and truck output for the week rose 9.2 percent in the United States and 7.3 percent in Canada, compared to the previous week.

Only four plants were scheduled for shutdown this week, and three U.S. and Canadian plants scheduled overtime last Saturday.

Besides the shutdowns (see table below), several production slowdowns were announced. Ford Motor Co.'s Michigan Truck, builder of Bronco and F series, will be on single-shift production through the week of May 20; and Edison, N.J., builder of Ranger, remains on a single shift. Navistar International closed its Springfield, Ohio, plant three days last week due to lack of orders.

General Motors scheduled overtime last Saturday at the Lansing, Mich., (B) plant, maker of Pontiac Grand Am, and at the Moraine, Ohio, postal vehicle line that has been on overtime most of the year. Chrysler scheduled overtime at Windsor, Ontario, and St. Louis (No. 2), which build minivans. Ford scheduled Saturday overtime at St. Thomas, Ontario, for Grand Marquis and Crown Victoria output.

Also on the upbeat side, Chrysler Corp. officials announced that full production will continue indefinitely at Jeep's Toledo, Ohio, plant. In February, the company announced that it planned to lay off 6,0 workers there and cut Jeep production beginning May 13, but since the Persian Gulf war ended, Jeep sales to the Middle East have mushroomed, especially for the Cherokee model.

And General Motors said production of the 1992 Allante started April 22 at Detroit-Hamtramck.

GM's Lansing (A) plant closed last week for a model changeover that the company estimates will cost $90 million. The plant produces the Buick Skylark and the Oldsmobile Cutlass Calais. Production of 1992 models is scheduled to begin in August.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
FORD		
Dearborn, Mich.	**4/29**	
Ford Mustang		3,700
GENERAL MOTORS		
Detroit, Mich.	**4/29**	
Commercial, recreational and specialty chasis		500
Lansing, Mich. (A Plant)	**4/29****	*
Buick Skylark		
Chevrolet Calais		
CHRYSLER		
Sterling Heights, Mich.	**4/29**	
Dodge Shadow		2,210
Plymouth Sundance		2,240
Total U.S. car		**8,150**
Total U.S. truck		**500**
Total units lost week of 4/29		**8,650**

*Model changeover
**Plant will be down for extensive model changeover thru August 1991.
Source: Automotive News Data Center

NOTE

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Nov. 1, Dec. 2, 15, 42,

44, 45